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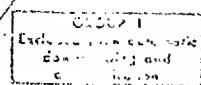
MEMORANDUM

SUBJECT: Italian Politics: The Approach to New Presidential Elections

The Setting

I. The strains generated by over two decades of phenomenal economic growth have become painfully apparent in Italy in recent years. Both the economy and the political system have been found wanting by substantial numbers of Italians; popular discontent with backward institutions, inadequate social services, and inequitable economic arrangements has been rising; and the willingness to express that discontent in violent and disruptive ways has been growing apace.*

* NIE 24-70, "Prospects for Italy", dated 12 November 1970, contains a more comprehensive treatment of Italian political and economic problems. The principal judgments contained in the Estimate are still considered valid.



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2. Manifestations of lawlessness and extremist violence have been frequent since the widespread strikes of 1969's "hot Autumn", and public preoccupation with the law-and-order issue has increased considerably. These problems have not grown to crisis proportions, but they do reflect deeply felt frustrations created by the great disparity between the promise and the reality of modern Italian urban life. And they dramatize the need to get on with social and economic reforms which have been too long blocked by strongly entrenched interests, a self-serving political class, and a swollen and inert government bureaucracy.

3. Prime Minister Colombo's Center-Left coalition government* has, indeed, made progress toward enactment of some of the reforms which have long been on the agenda. Approval by the Senate in August of crucial housing and tax reform bills was a milestone of sorts, since consideration of both has dragged on for many years. Both bills will probably win approval in the Chamber of Deputies this fall. Full implementation of reforms in the fields of health and education, however, will

* Colombo's government includes Christian Democrats, Socialists, and Social Democrats and is generally supported by the small Republican Party which withdrew from the government last February.

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still take some time; action in the area of urban transportation and administrative reform has yet to be initiated; and the chronic economic disparity between the North and South in Italy seems likely to elude solution for decades.

4. Pressure from Italian labor -- increasingly conscious of its political strength -- has had a big part in spurring the government to action. But the tactics which have been effective in bringing this result have also seriously impaired the performance of the economy. Since 1969, Italian firms have been hit hard by strikes and increased absenteeism and have acceded to demands for higher wages and shorter working hours. (Strikes alone cost Italy 146 million man-hours of work in 1970 and an estimated 50-60 million man-hours in the first half of 1971.) Manufacturing labor costs rose an estimated 17 percent in 1970 (the highest rate of increase within the ECC). Italy's economy is now in mild recession and, while it seems not to be in danger of a serious decline, recovery is unlikely before mid- or late-1972.* Real economic growth this year will probably be somewhere between 1 and 3 percent as compared to the 5 to 6 percent generally achieved in the 1950-1970 period.

* About 10 percent of Italy's exports go to the US, but actions taken recently by the US are unlikely to have much effect on the state of the national economy.

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The Presidential Election

5. Returning to this scene now that the August holidays are over, the five thousand or so elected representatives, party officials, and hangers-on in Rome who collectively make up the so-called political class will soon begin maneuvering in anticipation of the forthcoming presidential election. President Saragat's seven-year term expires on December 28, 1971; the date for the election of his successor by parliament must be announced thirty days before that; and balloting will probably begin in mid-December.

6. The powers of the President are constitutionally limited as a deliberate safeguard against another concentration of power in the hands of one man. He neither governs nor establishes national policy. But, by virtue of his party connections and the prestige of his office, the President can wield substantial personal influence; and he does have the authority to dissolve parliament and call for new national elections at any time except during the last six months of his mandate. (No Italian President has done so to date.) He is also responsible for nominating new Prime Ministers, but parliament must confirm such nominations.

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7. As for election mechanics, the President is elected by a joint session of parliament -- 630 deputies and 322 senators -- plus three delegates from each of the twenty regions (except for Valle d'Aosta which sends only one). Thus, the total number of electors is 1,010. The election takes place by secret ballot and requires a two-thirds majority (674 votes) during the first three ballots after which an absolute majority (506 votes) is sufficient for election.

The Parties and the Candidates

8. The secret ballot and the faction-ridden Italian party system practically guarantee that the next President will be elected with the support of opposition parties, particularly that of the Communists. The Communists (who will have no presidential hopeful of their own to back) have the discipline to swing their sizable block of votes (just under 25 percent of the total) behind one man; whereas the nine factions within the Christian Democratic Party, the three within the Socialist Party, and so on, can be counted on to support favorite son candidates almost to the bitter end. (President Saragat was elected on the twenty-first ballot in 1964 after twelve days of balloting.)

9. Despite complicated maneuvering and intense bargaining for opposition support, the contest for the presidency rides primarily on

parties and personalities. Matters of ideology and stands on current issues count for little. Thus, both the Communists and neo-Fascists gave their support to President Gronchi in 1955; the neo-Fascists decided the election of President Segni in 1962; and the Communists assured President Saragat's victory in 1964. But suspicions and innuendoes notwithstanding, there is no evidence that the opposition parties have derived any tangible advantage or reward for their support of successful presidential candidates.

10. To the extent that issues will count at all in December, the parties and factions at the left of center, including the Communists, (and labor as a major pressure group) should tend to support those candidates who favor pressing ahead with social and economic reform and who appear to be content with playing the weak role which the constitution assigns to the presidency. The parties and factions to the right of center, on the other hand, are likely to favor candidates who are known to prefer a measured pace in social and economic reform. In addition, the neo-Fascists, who are making extreme right protest increasingly respectable in Italy, and the military (who are less and less averse to exercising their influence on the Italian political scene) are likely to favor a candidate who seems disposed to claim a larger presidential role. The leading hopefuls are alike in their ardent desire to become President of the Republic and appear to share

a generally opportunistic outlook. Their attitudes on most other questions have been altered so often to suit particular sets of circumstances that their stands on most issues are generally obscure. Furthermore, these stands will not be clarified before December since the candidates do not campaign publicly.

11. The Vatican has seen fit to involve itself less and less frequently in Italian internal politics in recent years. Even before Vatican II, when the Church's influence on the Italian political scene was considerably more evident than it is today, only two of the five Presidents elected were Christian Democrats -- and one (Einaudi, 1948-1955) belonged to the anti-clerical Liberal Party. And, while the Vatican will doubtless press for a referendum next spring to repeal the divorce bill which was finally passed last year, this issue is not now expected to figure significantly in the presidential election.

12. For some time, the two front-running candidates have been Christian Democrats, Senate President Fanfani (generally favored by the parties and factions to the right of center) and Foreign Minister Moro (who seems to appeal to those on the left of center). And, as the major political party in Italy, the Christian Democrats appear intent on regaining the presidency occupied for seven years by Social Democrat Saragat.

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who is not a practicing Catholic. Saragat has also expressed interest in another term (not specifically forbidden to him by the constitution) and, despite his age (74) and infirmity, his re-election as a compromise candidate cannot be excluded. Deputy Prime Minister De Martino, who is also President of the Socialist Party, has strong presidential aspirations but is in a weaker position than either Fanfani or Moro. And a number of dark horse candidates are ready and willing to come forward if there is the slightest chance either of their attaining the presidency or of strengthening their party, government, or parliamentary positions in a trade-off for their support during the balloting.

13. Predictions about the outcome of the election are not now possible. There is no chance, however, that serious contenders will come from the Communist or fascist parties or any of the extremist groups. All the current frontrunners -- Fanfani, Moro, and Saragat -- are expedient men and none of them would be likely to try to use the office of the presidency to work for drastic changes in either foreign or domestic policy.

The Wider Political Scene

14. Despite increased strains brought on by the charges and counter-charges of the candidates and their backers and the general

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abrasion which the Center-Left coalition is likely to suffer as a result of their maneuvers, Prime Minister Colombo's government will most likely survive through December. Colombo has, after all, made significant progress on promised reforms; this has produced a lull in labor agitation which, in turn, should permit an upswing in production over the coming months; and, perhaps most important, none of the prominent presidential candidates wishes to occupy the exposed and potentially ruinous position of Prime Minister at this crucial time.

15. All of the parties, both government and opposition, now look to the 1973 parliamentary elections to reveal whether the time has really come to consider an alternative to Center-Left rule in Italy or to change the government's leftward orientation. The unexpected success of the still small neo-fascist party in the limited local elections last June has raised the possibility of a slowdown or halt in the leftward drift of Italian politics, but such signs can only be proved or disproved in general elections at the national level. In this context, the presidential election is simply an episode rather than a pivotal event.

16. In the meantime, the parties of the coalition will continue to cooperate -- because of their desire to retain political power and its perquisites -- and will continue to vie with one another over the votes of an electorate which they all share. Beyond some commitment to the idea

of reform, there is little if any ideology held in common by the members of the coalition. Save for the extremes of right and left, the Christian Democratic Party spans almost the entire gamut of Italian politics. And the ideological split between the Socialists and the Social Democrats is now almost unbridgeable. The Socialists hold that the Communists are an increasingly national party that should be encouraged to share some type of responsibility for instituting needed social reforms; and the Social Democrats view the Communists as Moscow-dominated, undemocratic, and unacceptable partners on any level of government.

17. Among the opposition parties, the Communists are for now occupied with building on their carefully cultivated image as a responsible party and consolidating their positions on local and regional levels. They are not likely, therefore, to engage in obstructive tactics in parliament or in the streets either before December or in the period leading up to the parliamentary elections. And even the neo-fascists, under the skillful leadership of Giorgio Almirante, may now concentrate on acquiring a measure of political respectability and back away from street violence which flies in the face of their law-and-order election theme.

Impact of the Election

18. The major impact of the presidential election on the Italian political scene up to the actual balloting may lie in the division and weakness

it will continue to cause in the Christian Democratic Party and in the coalition as a whole. There are several presidential hopefuls in the Christian Democratic ranks -- with Fanfani and Moro, of course, being the most prominent. In their rivalry over the presidency, these two and their adherents have, at times, paid scant attention to the detrimental effects of their actions on party unity and, hence, on the strength and overall effectiveness of the Center-Left coalition.

19. The actual election of a new President, however, might have a salutary effect on the Christian Democratic Party. The Fanfani-Moro rivalry, for the presidency at least, will at last be laid to rest: for, even if neither man succeeds, Fanfani's age (63) should remove him from serious contention in 1978. Should the rivalry between these two subside or -- possibly as a result of some deal between them for the presidency -- should they agree to cooperate after the election, the Christian Democratic Party stands to gain in strength. For the energies wasted in the past in destructive infighting might, as a consequence, be turned to more constructive ends, e.g., toward bolstering party unity and providing effective leadership within the coalition.

20. But personal rivalries between other prominent Christian Democrats could, and probably will, continue to exert divisive influence within the Party. And, if a compromise candidate does deprive both

Moro and Fanfani of the coveted prize, they are at least as likely to continue contending for other political plums as to cooperate. While the approach of the national elections will give the Christian Democrats an incentive to pull together, factionalism and personal ambitions are likely to place severe limits on expectations for increased party unity and strength.

21. A continued lack of strong leadership in 1972 from the senior partner could adversely effect the Center-Left coalition's life expectancy and strengthen the influence of the left (e.g., the Communists), or right (including the fascists), or both. For, unless the coalition is soon made to work more efficiently, the voters are likely to express enough desire for a change in 1973 to convince the major coalition parties that they should seek new and, perhaps, more effective alignments.